

Petro-Reef Resources to Drill Deep Exploration Well in Alexander

Calgary, Alberta October 18, 2007 –Petro-Reef Resources Ltd. (TSX VENTURE:PER) ("Petro-Reef" or the "Company") is pleased to announce that it intends to commence drilling a deep exploration test at 15-29 in Alexander, Alberta by the end of the week. The 15-29 well targets reef prospects in the Devonian formation which have been identified by the interpretation of 3-D seismic. Depending on the drilling results, Petro-Reef has identified several follow-up locations offsetting 15-29. The Company holds a 94% working interest on all lands in the area believed to contain the Devonian reef.

Following the drilling of the well at 15-29, Petro-Reef intends to drill a well at 5-6 where the Company has used 3-D seismic data to identify a large shallow gas structure. Management believes this structure has not previously been tested. Petro-Reef holds a 59% working interest in this opportunity.

Petro-Reef also intends to drill a well at a new exploration play south of the Company's recent natural gas discovery at 13-6. Recent 3-D seismic data covering a three-section block, where Petro-Reef holds a 94% working interest, reveals a look-alike feature to the well at 13-6. It is expected the drilling of this exploration opportunity will commence in late November 2007.

As a result of Petro-Reef's continued drilling success in Alexander, the Company's current production has increased to approximately 900 barrels of oil equivalent per day (boe/d). This amount includes restricted production from the well at 13-6. In July, Petro-Reef added a new compressor at its 8-1 natural gas facility allowing the tie-in of the 13-6 well. As a result of the high pressure 13-6 well being brought onstream through the 8-1 natural gas facility, several existing wells experienced a restriction that reduced the net increase in production from the 13-6. Based on current production and estimated production additions from new wells, Petro-Reef maintains its forecasted exit rate for 2007 of 1,100 boe/d.

Petro-Reef Resources Ltd. is a Calgary-based junior oil and gas company focused on petroleum and natural gas lease acquisition and exploration, and development of crude oil and natural gas properties in Alberta, Canada.

Forward-Looking Statements: All statements, other than statements of historical fact, set forth in this news release, including without limitation, assumptions and statements regarding reservoirs, resources and reserves, future production rates, exploration and development results, financial results, and future plans, operations and objectives of the corporation are forward-looking statements that involve substantial known and unknown risks and uncertainties. Some of these risks and uncertainties are beyond management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, environmental risks, industry competition, availability of qualified personnel and management, availability of materials, equipment and third party services, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by the corporation at the time of preparation, may prove to be incorrect. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Note: BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

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